

Minnesota Department of Employment and Economic Development
Angel Tax Credit Program
Qualified Small Business Certification Application Form
Certification for Calendar Year 2015

Data Privacy Notice: per Minn. Stat. 116J.8737, Subd. 8, data provided in this application is nonpublic data; certain information becomes public upon certification as a qualified small business, upon a credit allocation, and upon a credit revocation. Qualified small business' names, contact information, and business type will be posted on the department's website.

Section I. BUSINESS NAME AND IDENTIFYING INFORMATION

Legal Name ("Business"): _____

DBA/Trade Name (if any): _____

Previous Name (if any): _____

Business headquarters location:

Street Address 1: _____

Street Address 2: _____

City: _____ County: _____ State: _____ Zip: _____

Phone: _____ Website: _____

Business type: ☐ C Corp ☐ S Corp ☐ LLC ☐ LLP ☐ Partnership ☐ Other _____

Do securities of the business trade on a public exchange? ☐ Yes ☐ No

If no, do you anticipate the business' securities will trade on a public exchange within the next 365 days? ☐ Yes ☐ No

State of organization per articles of incorporation/organization: _____

State of headquarters location: _____ Date operations began: _____

FEIN (required): _____ - _____ MN Tax ID (if available) _____ - _____

Section II. AUTHORIZED BUSINESS REPRESENTATIVE INFORMATION

All program communications will be with this person only; if you wish to authorize us to communicate with another person, please submit a Power of Attorney form.

Name: _____ , _____
First M.I. Last Title

Phone: _____ Email Address: _____

Section III. STATISTICAL INFORMATION

1. Is this business minority-owned? ☐ Yes ☐ No

Minority-owned business means a business which is (a) at least 51 percent owned by one or more minority group members, or, in the case of any publicly-owned business, at least 51 percent of the stock of which is owned by one or more minority group members, and (b) whose management and daily business operations are controlled by one or more minority group members. Minority group members are United States citizens who are Asian, Black, Hispanic, Pacific Islander, or Native American.

2. Is this business women-owned? ☐ Yes ☐ No

Women-owned business means a business which is (a) at least 51 percent owned by one or more women, or, in the case of any publicly-owned business, at least 51 percent of the stock of which is owned by one or more women, and (b) whose management and daily business operations are controlled by one or more women.

3. Is this business headquartered in the Twin Cities seven-county metropolitan area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Washington counties) or in Greater Minnesota?

☐ Metro area ☐ Greater Minnesota

Section IV. QUALIFYING INFORMATION

1. Employment and payroll information

In providing all the information requested below:

- use full-time equivalents (FTEs) (1 FTE = 2080 hours worked per year)
- use the most recent payroll period
- wages include cash compensation and benefits

In providing the number of employees, also include employees in all members of the unitary business (e.g., subsidiaries, parent company, etc.) as defined by Minn. Stat. 290.17, Subd. 4

- a. ☐ The business is pre-payroll and has no employees. **If checked, skip b. thru f; go to 2.**
- b. ☐ The business has fewer than 25 employees, measured on a unitary basis.
- c. ☐ At least 51% of the business' employees are employed in Minnesota.

Number of employees

this business

unitary business

Number of employees employed in Minnesota:

Number of employees employed out of state:

Total number of employees:

- d. ☐ At least 51% of this business' payroll is paid or incurred in Minnesota (not unitary business).

Most recent payroll of employees employed in Minnesota: \$ _____

Most recent payroll of employees employed out of state: \$ _____

Total most recent payroll period:

\$ _____

- e. ☐ All of the business' employees, **except for** the business' executives, officers, board members, or employees who own, control, or hold power to vote 20% or more of the business' outstanding securities, are paid annual wages of at least 175% of the federal poverty guideline for the year for a family of four. Interns must be paid at least 175% of federal minimum wage.

Lowest annualized wage paid any employee: \$ _____/yr

- f. Attach payroll register for most recent payroll period.

☐ Payroll register is attached. Designate interns or those exempt from wage minimums.

2. Type of business (check the one that best applies):

This business is engaged in, or is committed to engage in, innovation in Minnesota in the following as its primary business activity:

- a. ☐ Using proprietary technology¹ to add value to a product, process, or service in a qualified high-technology field.²
- b. ☐ Researching or developing a proprietary product, process, or service in a qualified high-technology field.²
- c. ☐ Researching, developing, or producing a new proprietary technology¹ for use in the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation.
- d. ☐ Researching or developing a new proprietary product, process or service for use in the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation.

¹Proprietary technology means technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted.

²Qualified high-technology fields include aerospace, agricultural processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, material science technology, nanotechnology, telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields.

3. ☐ Other than activities listed in 2.c. or 2.d. above, the business is **not** engaged in real estate development, insurance, banking, lending, lobbying, political consulting, information technology consulting, wholesale or retail trade, leisure, hospitality, transportation, construction, ethanol production from corn, or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants.
4. Is your business engaged in the research, development, or production of medical devices or pharmaceuticals for which FDA approval is required for their use? ☐ Yes ☐ No

5. Describe your business' primary business activity.

Restrict your description length to four to five sentences. Include:

1. In which high-technology field (for a. or b. above) or other specified field (for c. or d. above) the business is operating.
2. What proprietary technology the business owns or licenses or is developing (for a. or c. above), or what proprietary innovation it is researching or developing (for b. or d. above). Specify how the technology or innovation is proprietary: patented, patent pending, copyrighted or the subject of trade secrets.

6. Previous private equity investments

- a. ☐ The business has not, since operations began, received private equity investments of more than \$4 million prior to the date of this application, including those from the business's executives, officers, board members, or any employees who own, control, or hold power to vote, 20% or more of the business's outstanding securities.
- b. ☐ The business has not, since operations began, received private equity investments of more than \$4 million prior to the date of this application that have qualified for and received tax credits under the Angel Tax Credit Program.

7. Attach balance sheet or capitalization table

- ☐ Balance sheet or capitalization table is attached. These documents should reflect the most recent fiscal period. Capitalization tables must show dollar amounts. Proformas are not accepted.

8. Small corporate offering registration disqualification

- ☐ The business is not disqualified under Minn. Stat. 80A.50(b)(3). See statute excerpt below:

80A.50 Small Corporate Offering Registration

(b)(3) Disqualification. Registration under this section is not available to any of the following issuers:

(A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934; (B) an investment company;

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person;

(D) an issuer if the issuer or any of its predecessors, officers, directors, governors, partners, ten percent stock or equity holders, promoters, or any selling agents of the securities to be offered, or any officer, director, governor, or partner of the selling agent:

(i) has filed a registration statement that is the subject of a currently effective registration stop order entered under a federal or state securities law within five years before the filing of the small corporate offering registration application;

(ii) has been convicted within five years before the filing of the small corporate offering registration application of a felony or misdemeanor in connection with the offer, purchase, or sale of a security or a felony involving fraud or deceit, including, but not limited to, forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is currently subject to a state administrative enforcement order or judgment entered by a state securities administrator or the Securities and Exchange Commission within five years before the filing of the small corporate offering registration application, or is subject to a federal or state administrative enforcement order or judgment in which fraud or deceit, including, but not limited to, making untrue statements of material facts or omitting to state material facts, was found and the order or judgment was entered within five years before the filing of the small corporate offering registration application;

(iv) is currently subject to an order, judgment, or decree of a court of competent jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or decree of a court of competent jurisdiction permanently restraining or enjoining the party from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or involving the making of a false filing with a state or with the Securities and Exchange Commission entered within five years before the filing of the small corporate offering registration application; or

- (v) is subject to a state's administrative enforcement order, or judgment that prohibits, denies, or revokes the use of an exemption for registration in connection with the offer, purchase, or sale of securities,
- (I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification is duly licensed or registered to conduct securities-related business in the state in which the administrative order or judgment was entered against the person or if the dealer employing the party is licensed or registered in this state and the form BD filed in this state discloses the order, conviction, judgment, or decree relating to the person, and
- (II) except that the disqualification under this subdivision is automatically waived if the state securities administrator or federal agency that created the basis for disqualification determines upon a showing of good cause that it is not necessary under the circumstances to deny the registration.

9. Attach authorizing resolution

☐ Resolution is attached, authorizing the business representative to apply for certification and to execute Angel Tax Credit Program documents on behalf of the business. See FAQs for model.

Section V. CERTIFICATIONS

Disclaimer

The undersigned certifies that it has been advised, acknowledges, and understands that no action taken by the State of Minnesota or by any employee, agent or official of the State has been intended or shall be construed to:

- a. constitute an endorsement or recommendation of the business, or its business activities, or of any financial investments made or proposed by any person or entity in the business, as a result of or related to the business' certification, by the State's commissioner of employment and economic development ("Commissioner") as a qualified business pursuant to the provisions of Minn. Stat. 116J.8737 ("the Angel Tax Credit Program");
- b. constitute an endorsement or recommendation of the financial condition of, or of the business activities of, any investor or fund that has been certified by the Commissioner as either a certified investor or certified fund under the Angel Tax Credit Program;
- c. provide any assurance that the business as a certified small business, or any investor or fund certified as a qualified investor or qualified fund, or any investment classified as a qualified investment, under the Angel Tax Credit Program, is in compliance with any and all applicable federal and state securities laws and regulations; or
- d. relieve the business or any person or business entity associated with it from any obligation to comply in full with the requirements of any and all applicable federal and state securities laws and regulations.

Representations and Authorizations

The undersigned also:

- a. certifies that all statements and representations made in this application, or information provided herein ("Applicant Data"), are true and complete to the best of his or her knowledge, and
- b. grants the State of Minnesota and its agents the right to contact any and all persons as the State may deem necessary to verify the accuracy or completeness of any and all Applicant Data, and
- c. agrees to execute and deliver written authorizations for the release of data or for any and all data privacy waivers reasonably required for the State to verify the accuracy or completeness of Applicant Data, and
- d. acknowledges that it is aware it will be disqualified from any further consideration for financial assistance from the Angel Tax Credit Program if any Applicant Data proves to have been false or misleading at the time it was made, and that the act of providing any such false Applicant Data may subject the business to the penalties provided in Minn. Stat. 609.645 (Fraudulent Statements).

Signature of Authorized Business Representative

Title

Date

Application Fee: \$150

For calendar year 2015,
certification expiring 12/31/2015.

Make check payable to: MN DEED

Application fees are non-refundable

Mail application and fee to:

MN DEED

Angel Tax Credit Program, Attn: Jeff Nelson

332 Minnesota Street, Suite E-200

St. Paul, MN 55101-1351